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EDUCATION--A FOUNDATION FOR BUSINESS

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The thirteen years which I spent in the California State Department of Education between 1914 and 1927, were years of exceptional opportunity to study and appraise educational trends and policies. After I became Commissioner of Secondary Schools in January, 1914, I had almost a full year in which to observe the high schools of California working under pre-war conditions. In those days, college preparation was dominantly the recognized purpose of high school instruction. The high school people accepted the situation quite calmly and the public, with few exceptions, acquiesced in it. People were pretty well satisfied with the high schools as they were--so satisfied in fact, that heralds of educational reform usually had small audiences and only lukewarm sympathy. However, the four years of my Commissionership following the outbreak of War in Europe, were quite different from the pre-war year. While our country had not yet become one of the belligerents, our people were deeply stirred by tragic events across the seas and were always conscious that we might be drawn into the conflict at any time. The larger part of the world then in travail or in turmoil, turned from senescence and middle age to youth, seeking for saviours. People everywhere set up an increasingly loud clamor for such changes in the program of school training as would make it possible for youth to do the tasks deemed immediately essential for the winning of the struggle and for reconstruction after the conflict was over. It was a period for the reorganization and redirection of programs in every institutional field, and education was not the last nor the least among the institutions to be put under pressure to modify and expand its program. The educational reformer, finding that his day had come at last, set to work at reorganization with right good will. Expansion in education, both in enrollment and in curricula, was rapid; changes in school programs were kaleidoscopic and far-reaching, and the effort to readjust the work of the school to meet new demands, especially war demands, was strenuous and at times difficult. As we look back upon that period now, we realize that it was the beginning of educational inflation.

Less than a week before the Armistice was signed, I was chosen to serve as Superintendent of Public Instruction of California. I continued in that office for eight years, a period of readjustment in our institutional life. However, readjustment did not affect education during that period so much as it did other institutions, and education continued pretty much along the same lines set by us during the war period. The inflation of education continued, the schools continuing to expand their enrollment and their courses of study. With the country very prosperous, we found the public,

including taxpayers, willing for the schools to continue all the innovations introduced in war time, and there was no disposition to question others added after the peace. There was no strong public demand for a reappraisal of educational values, and we continued to believe that our schools were rendering a faithful account of their trusteeship for the youth of the state.

Four years ago last January I retired from school work and have since that time, occupied executive positions in the banking field where I have had opportunity to observe education from another angle and to appraise its results and possibilities from a different standpoint. I assume that the chief reason for my being here today is the rather unusual background from which I may speak--a background that is brightened by many years of happy association with school people. However, because of the opportunities I have had to observe education over a long period, under widely divergent conditions and from vastly different angles, I approach this discussion today with a feeling of caution and conservation. I am not nearly so sure of my ground in the field of education as I was ten or fifteen years ago. The chief reason for caution in discussing education as a foundation for business, is that I once had a leading part in shaping the educational program for an entire State, and have since had opportunity to appraise its results. While that program has, on the whole, worked very well, I have observed enough flaws in it to make any prudent man hesitate to volunteer a second time for the part of an educational Moses.

You have already inferred, from what I have said, that I find a parallel in economic and educational progress. Economic and educational progress are, so to speak, tied together in various ways. We make progress in industry and business, and out of the increased income we make more money available for education. On the other hand, business and industry find new places to fill in the economic world, and before long education is called upon to assist in training young people to carry on the new enterprises. Whether the parallel between economics and education applies only when the trend of things is up, or whether deflation in economics is to be followed by deflation in education, is a question that the future will have to answer. I believe that the effects of the present economic deflation are bound to be felt in no small measure in the educational field. Moreover, I am of the opinion that education will be the better for the test that is to come.

The years intervening between 1914 and 1929 were marked by unprecedented expansion of enterprise and by economic inflation. New enterprises were started in great numbers, without careful analysis of the possibilities of marketing the augmented production. Business seemed to flourish and statistics of production and income multiplied. The fortunes of individuals grew to unprecedented dimensions, and millionaires became quite common. Commodity prices rose to the highest point in recent history and land values, in city and country, followed in an upward swing. Security prices soared higher and higher each day until they were all out of proportion to their yield. The economic world was turned topsy-turvy and many of our business men were almost mad in their optimism. Then came the

crash of 1929, followed by a series of severe economic sinking spells. Prices of commodities and securities are today only a fraction of the prices prevailing during the boom period. In fact the average price of commodities today stands at about the pre-war level. Individual fortunes were swept away during the crash, in many instances overnight, and enterprises started a few years before were either forced to suspend or absorbed and closed. In the wake of the economic storm which has, I believe, passed on, we find much wreckage. Railroads and factories have been forced to cut expenses to the bone. They have eliminated many innovations introduced during the boom period; the volume of business has suffered excessive shrinkage. We find also that the unfit have been eliminated from their respective fields, and non-essential jobs have been abolished. In this drastic deflation and contraction of operations we are told that we have laid the foundation for the next great advance. In the economic world, deflation is nature's way for testing out new movements, new enterprises, new ideas. The stronger institutions and enterprises survive while the weaker ones go down. Those enterprises that prove their soundness by survival, constitute the foundation upon which the next economic advance is to be predicated. However, we cannot but observe that the medicine we have taken is terrible, even though the results may be beneficient.

The effect of economic deflation through which we have passed, is bound to be felt in all fields of governmental enterprise, including education. The aggregate income of the country has been greatly reduced, so that funds for governmental expenditures are, and will for a long time, be subject to careful scrutiny. Already we find an increasing outcry against the heavy burden of taxation. Burdens borne safely in times of prosperity may be unbearable in times of depression. Funds for education will be harder to obtain in the future than they have been in the past fifteen or twenty years, and this, I believe, will ultimately force a reappraisal of the values of the various functions of the schools. In this reappraisal, function will be pitted against function, subject against subject, course against course, until some of the less productive functions and courses are eliminated or greatly curtailed just as non-essentials have been eliminated, in business and industry. Education will be called upon to prove all things in order that it may retain only that which is good. And on the basis of what is proved and retained, the school people will have an opportunity to build a greater and better educational program, thus paralleling the work of entrepreneurs in the economic field. In the light of what is apparently impending, prudent school men should, I believe, begin to restudy educational values and to appraise at their true worth, the innovations of the last twenty years and the demands of business and industry for the education of young people to fit into positions in the industrial and commercial fields. In this reorganization of educational functions, what has business and industry a right to demand of the schools? Many of the things that appear in our school program are there because of demands made by business and industry in times of stress--demands that grew out of the abnormal need for trained specialists during the War. I refer particularly to a sizeable group of specialized courses designed to train for special phases of business and industry. Have these

courses justified the increase in school expenditures made to satisfy the demand? At a time when we have an overproduction of trained workers in various lines, are we justified in maintaining expensive specialized courses for the training of more special workers than the special field concerned can normally absorb? Of course we must have equality of opportunity, but we may well raise the question whether it is economically and socially sound, to train four or five or even ten people for every position that will be available normally, in any special field. Why should the school, which should aim to prepare young people for successful careers, train specialists in excessive numbers, when it is morally certain that a large proportion of the young people so trained will never have a fair chance in that field because of the scarcity of special jobs? In the reappraisal of school functions and courses, these are some of the questions that are bound to be raised. And in raising them now, I am fully conscious of the fact that frequently it is much more easy to raise questions than to answer them.

Many special courses in commerce and industry now being offered in our high schools, are in my judgment, of questionable worth. In most banks, for example, the personnel department, in taking on high school graduates, seldom makes a distinction between one who has had special high school training in commerce and one who has not. We try to employ young people of sturdy character and good intelligence. We put most of the beginning boys at the minor clerical tasks in the Transit Department, promoting them to the bookkeeping machines and keeping them there until they show they are capable of doing something else. We can give them all the technical training they require to run the machine in a day or two. If they are intelligent and ambitious, they will learn while they are working, all they need to know about bank bookkeeping. If they fail, it is usually due to some character defect, rather than lack of technical training. It is usually carelessness, lack of orderly habits or a bad disposition toward hard work which leads to dismissal. So far as routine banking is concerned, I have yet to be convinced that a special high school course affords any better training than a general high school course. Given young people of good intelligence and good character, most banks will give their employees all the special training they need while they are on the job. And when any need for special class training develops, the bank, through classes of the American Institute of Banking, will see that the need is met immediately and effectively. When the young man on the job elects work with the Institute of Banking, he has an immediate and definite motive for taking the course. This, coupled with the fact that he interprets the course in the light of his experience on the job, enables him to get far more out of it than he could out of any course taken in school.

I would not leave the impression that all positions in banking can be filled by young people who have not specialized in banking. However, observation justifies me in saying that special training, taken after one has had some banking experience, is far more valuable than training taken before one has a reasonably good grasp, from experience, of the fundamentals of the banking process. It should also be said that there are certain departments of our banks--the statistical and credit departments, for example, where

such training as is given in colleges of commerce and schools of business administration, is invaluable. However, the type of course required in preparation for these special positions, cannot be given successfully in high school and any attempt to give them would be wasteful.

What has been said about the futility of high school courses in banking does not apply necessarily to all business courses offered in high school, even though it does apply to several. The courses in bookkeeping, stenography, business law and the fundamentals of business arithmetic and business English, if they are well done, are helpful to any graduate who enters general business, so these are not included in the criticism I have offered. However, only the fundamentals of bookkeeping are needed and the introduction of excessive refinements of the bookkeeping process into the course, tends to confuse the student rather than train him for business. I think it is not overstating the situation to say that all the purely business courses that a student may take with profit in a high school course, can be covered in one quarter of the four year course, if the work is done intensively, and that the remaining three-quarters of the four year course would better be given to general training. The student who spends four years in getting what he ought to get in one year of intensive business training, has, all too frequently, developed habits of dawdling and diffusion of interest, which really militate against success in business.

So far, what I have had to say about education as a foundation for business, has been largely negative. It is with satisfaction that I turn from the negative aspects of the question to present some suggestions on the positive side.

First of all, business is not interested, except in a very minor degree, in what subjects a high school graduate has taken. It is greatly interested in what qualities, attitudes, abilities, and habits that graduate has developed. Business doesn't inquire <u>how</u> a young man or woman developed the desired qualities, abilities, and habits; it doesn't ask whether they were derived from courses in French or physics, Greek or geometry. It is satisfied to know that the young man or woman has them. Business rates its people, not in units, or honor points, or degrees, or subjects covered and passed--it rates them according to what they are, what they give promise of being, what they can do and how well they can do it. What I have to say concerning education as a foundation for business, will not be in terms of subjects and courses of study--fetiches that have led us away from the true values in education; it will be in terms of the qualities, attitudes, abilities and habits that are the real foundations for success.

In presenting the suggestion of a restatement of educational values in terms of abilities and qualities, rather than subject matter, I am indebted to Dr. C. R. Mann's study of the qualities and abilities that underlie a successful engineering career. From a questionnaire sent to about 1500 successful engineers, he derived the formula that success in engineering is compounded of the following elements in the proportions stated:

Technical knowledge	13.0%
Understanding of Human Nature	14.0
Efficiency	14.5
Judgment	17.5
Character	41.0
	100. %

I am of the opinion that a questionnaire sent to 1500 successful business men would produce a very similar result, except that technical training might be given a lower rating.

In business, the special technical knowledge that is required for success in any given line, cannot be derived, to any great extent, from special high school courses. Business is so highly specialized that no school, except a highly specialized school, can give anything in the way of technical business training except the fundamentals of business. Business will be satisfied if high school graduates who enter the business field, can handle the fundamentals of business arithmetic quickly and accurately, if they can speak and write good English, provided they have character, intelligence and good judgment. If they have the fundamentals of a general course in bookkeeping, they will have a better start than some of their fellows, but they can get this knowledge afterward, if they should begin without it. In secretarial work, business expects technical skill of course, but my observation is that more stenographers fail of promotion because of lack of background, rather than lack of technique. So much then for the technical knowledge that business may reasonably expect fo find in high school graduates.

The second requirement--understanding human nature--is quite important. To get on in business, one must be able to get on with people. While certain courses may contribute something to such understanding of human nature--courses in the so-called human studies, for example--this understanding comes very largely from association with one's fellows, from contacts on the playground, in the hallways, at recess time and out of school. The teacher may do much to correct misunderstanding of human nature, and direct the study of human nature as interpreted in biography and literature. Formerly we sent young people out into the world with a distorted notion about ideals and business. The result was that the ideals they carried were soon cracked and seldom repaired. The youth should understand human nature as it is; he should also cherish ideals. However, he should understand that ideals don't get far, if there is ignorance of the realities of human nature.

Efficiency comes from doing things well, and then better. It is derived in part, from technical knowledge, in part from experience, and in part from the application of character elements in working out real problems.

Good judgment comes in large measure, from meeting situations in life and then reflecting on the reasons for success or failure; never making the same mistake twice, and never making a similar mistake.

It may also be cultivated by studying how other people or individuals met trying situations, and by analyzing the factors that contributed to their success or failure.

The last factor is character, the greatest of them all. It is not too much to say that success in business is due chiefly to character, to the attitudes and habits formed in youth and early manhood. All employers in business look for character, honesty, integrity, industry, straight-forwardness, accuracy, truthfulness, and a hundred other qualities that contribute to success. Character determines, above all other things, how long a man will hold a job, whether he will be advanced to positions of greater responsibility, whether he may obtain the credit necessary for financing enterprises in which he may want to engage, whether he can hold his customers, whether he can build up his business, whether he can weather an economic storm. Greater than any subject offered in high school, greater than all subjects that may be offered, is character, as an element of success. All subjects should contribute to it. All school activities should be grist for the character mill. I have only one suggestion concerning subjects that may contribute to character building. I make the suggestion because of a tendency to relegate such subjects to the background. I refer to the subjects and activities that have to do with the spiritual elements of life. We haven't forgotten spiritual values, although it seemed a few years ago, we were on the way to forget them. They were almost smothered by prosperity, but when adversity came, we brought them out of the closet, dusted them off and put them where they can be seen. Human nature will always have need for things of the spirit. It is these things that influence the subconscious and contribute largely to the building of character.

So much for the kind of education that is fundamental for business. You will observe that I don't advocate more school work; I advocate less. I don't advocate greater complexity, greater variety, greater differentiation in school work; I suggest simplification. I don't advocate greater expansion of courses of study. I would merely have the schools deflate their courses and consolidate their gains. The chief point I have made is that the situation demands a transfer of emphasis from subject matter and courses of study, to the development of desirable human qualities.

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